

REMARKS/ARGUMENTS

These remarks are submitted in response to the Office Action of April 13, 2007 (Office Action). As this submission is timely filed within the 3-month shortened statutory period, no fee is believed due. However, the Office is expressly authorized to charge any deficiencies or credit any overpayment to Deposit Account No. 50-0951.

Claims Rejections – 35 USC § 112

Claims 9, 10, 19, 20, 35, 36, 45, and 46 were rejected under 35 U.S.C. § 112, first and second paragraphs. More specifically, it was asserted in the Office Action that it is unclear how a straight comparison can be biased in favor of one party over another.

Applicants believe that a biased system is a technique that is well known to a software engineer, who would be able to build many systems with different biases. The inventive concept of the present invention is not the biased system technique per se, but the application of this technique to the method and system according to the present invention. It is noted that biasing the system is a precursor step to negotiating. It was asserted on page 5, lines 4-5, of the Office Action that "it is unclear how a bias may be set in this comparison." Applicants respectfully note, however, that the bias is set *prior to* the comparison.

It was also asserted in the Office Action that the system does comparisons that are either compatible or incompatible. Applicants respectfully note, however that in fact the comparisons are made *after* the system is biased. Applicants emphasize the fact that the party for whom a proposed deal is less favorable may willing accept it, even though it is less favorable than a deal that an unbiased system would propose. That party would certainly also accept a deal that is better for him. But, by accepting a deal that is less favorable, a party is accepting a deal that is better for – and hence biased in favor of – the other party. The biasing is a step that is performed *before* the offer and match are made. If, for example, a person is playing roulette on a table that is biased towards red, and the

person is playing red, then the person will continue to do so because that is favorable to the person. But, the biasing of the table occurs before the person places a bet. Both the player and the house agree on the size of the bet, and so, a match is made. But, the player accepts the match and plays on that table because the player believe the results will be favorable in comparison to making the same bet on an unbiased table or one that is biased towards the house. Of course, this is why today's casinos take great pains to ensure the table is not biased.

Accordingly, Applicants respectfully submit that one of ordinary skill in the field would easily discern how a straight comparison can be biased in favor of one party over another. Nonetheless, to expedite prosecution, Applicants have amended the language of Claims 9, 10, 19, 20, 35, 36, 45, and 46 to more clearly define the present invention. The amendments are fully supported throughout the Specification. No new matter has been introduced by the amendments.

Claims Rejections – 35 USC § 102

Claims 1-20 and 23-46 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent 5,794,210 to Goldhaber et al. (hereinafter Goldhaber).

Aspects Of The Invention

Prior to addressing the cited reference and claim rejections, it may be useful to reiterate certain aspects of Applicants' invention. One embodiment of the invention, typified by Claim 1, is a method of negotiating an electronic commerce transaction for the sale of a selected good.

The method can include identifying an asking price for the selected good, and retrieving from memory merchant business objectives (MBOs) and consumer privacy rules (CPRs). The MBOs, more particularly, can comprise a series of merchant-specified rules specifying a plurality of cash or cash-equivalent incentives offered to a consumer in exchange for consumer-specific information. (See, e.g., Specification, p. 9, lines 16-20,

and p. 12, lines 9-24; see also p. 5, lines 11-13.) The CPRs can comprise a series of consumer-specified rules specifying a minimum cash or cash-equivalent incentive for which a consumer will exchange specific items of consumer-specific information. (See, e.g., Specification, p. 9, lines 12-16, and p. 11, lines 17-25.)

The method can further include comparing the MBOs to the CPRs in order to determine whether an agreement can be reached for the sale of the selected good with an incentive based upon the proposed exchange of consumer information. The comparison, more particularly, can be performed by a negotiation engine. The negotiation engine can be configured to determine whether an agreement can be reached based on the comparison of the MBOs and CPRs. The negotiation engine, moreover, can effect this determination without requiring interaction with either a merchant or a consumer or between the merchant and consumer; the negotiation engine can act as an autonomous intermediary. (See, e.g., p. 14, lines 8-17, and p. 15, lines 2-14.) If through the comparing step it is determined that an agreement can be reached, then the transaction for the sale of the selected good with the incentive is concluded.

The Claims Define Over The Cited Reference

In Goldhaber, the agents do the negotiations or bidding, just as ordinary persons would. The present invention off-loads the negotiations from the agents/persons and automates it. A key aspect of the present invention is the concept of quid pro quo around privacy information. For example, the buyer profile may by default refuse to offer a phone number unless the seller offers something in return (e.g., money, privacy assurance, etc.). The present invention utilizes a Negotiation Engine (NE) 210 to automate the negotiation.

At col. 8, lines 26-28, Goldhaber states that "[t]his is an on-line trading 'floor' where buyers and sellers (or their software agents) can actively find each other and negotiate transactions." In Goldhaber, agents preform the buying and selling without any intermediary. Goldhaber does not provide an intermediary of any kind, certainly not one

such as the NE 210 of the present invention. Furthermore, Goldhaber describes in col. 20, lines 8-35, the manner in which Goldhaber's "Trading Houses" function, namely through the creation of agents that perform the buying and selling. Goldhaber states in col. 20, lines 21-23, that when "a buying agent 110 and a selling agent 402 meet at a trading house computer 400, the trading house computer scans for buy/sell matches. . . ." This is one of the fundamental differences between Goldhaber and the present invention because. In the present invention, there is an interface between each agent and the NE 210 (see Specification, page 14, lines 4-13), while in Goldhaber, the interface is between the agents that conduct business.

Goldhaber is not unlike e-Bay where buyers and sellers are brought together and can optionally negotiate over the price of an item via an email exchange. When the system of the present invention presents a price to a buyer, the price is dynamically generated by the engine and represents the best price that can be achieved given the competing interests of both parties. As such, the price is likely to be different from user to user, even for the same item.

As already discussed, it is important to note that the advantages of the construct of the present invention include those described on page 11, lines 5-9, of the Specification: "For example, the merchant can be provided secure access to the privacy negotiation system 200 and the e-commerce site 260 for administering merchant data, while the consumer can be provided secure access to the privacy negotiation system 200 for administering consumer data." Furthermore, on page 14, lines 14-19, the Specification provides: "Though the NE 210 can be a neutral mediator between the consumer and the merchant, in another embodiment of the invention, the NE 210 can be programmed with a bias towards either the merchant or the consumer. For example, the party installing the privacy negotiation system can bias the system towards that party's objectives. Thus, if the privacy negotiation system was installed by a consortium of merchants, the privacy negotiation system can be biased in favor or [sic] the merchants." As noted previously, if

the present invention were deployed as a service, the service owner/operator would have the flexibility to skew the negotiation in this manner.

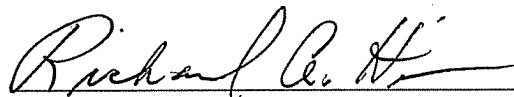
Accordingly, Goldhaber does not expressly or inherently teach every feature recited in the claims. The present invention, as claimed, is therefore believed to be patentable over Goldhaber.

CONCLUSION

Applicants believe that this application is now in full condition for allowance, which action is respectfully requested. Applicants request that the Examiner call the undersigned if clarification is needed on any matter within this Amendment, or if the Examiner believes a telephone interview would expedite the prosecution of the subject application to completion.

Respectfully submitted,

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